Fastbrick Robotics Quarterly Report | December 2017

Highlights

- **Advanced Hadrian X procurement process**
- **Continued development of a second Hadrian X prototype**
- **Bolstered leadership team with the appointment of two senior executives**
- **Completed a successful capital raising of A$35 million**
- **Paved strong foundations for continued growth in 2018**

Monday, 29 January 2018 - Australian robotic technology company **Fastbrick Robotics Limited (ASX:FBR)** ('Fastbrick' or 'the Company') is pleased to provide its quarterly update for the three months ending December 31, 2017. In the December quarter, Fastbrick built upon the previous quarter's achievements and paved the way for the assembly of Hadrian X and continued growth.

Advanced the Hadrian X programme

Fastbrick further progressed the procurement activity for the Hadrian X bricklaying robot during the quarter. The Hadrian X programme continues to gather momentum, with procurement well underway and Fastbrick recently taking delivery of important long lead items. Following Fastbrick's strategic investment in a second Hadrian X prototype the Company is ramping up procurement, staffing and resources as it transitions into the assembly phase of the Hadrian X programme. Over the coming weeks, the main part of the procurement phase will be completed, and the Hadrian X programme will move into the assembly and module test-bench phase.

Fastbrick is also progressing the development of an optimised block suited to the unique capabilities of Hadrian X. While Hadrian X will be capable of handling a wide range of bricks and blocks, the development of an optimised product further increases speed and efficiency and reduces cost and waste.

On an engineering front, software, hardware and test modules simulations are continuing. Fastbrick's bespoke house design software is being tested and refined with the simulation build and completion of the Company's first 180m^2 demonstration house[i] underway. As part of Fastbrick's agreement with the Kingdom of Saudi Arabia the Company has also set up simulations of standard Saudi Arabia-designed houses. These design/build simulations are an important part of the Hadrian X programme as the Company works towards Hadrian X's build demonstration later this year.

Fastbrick's Chief Technology Officer Mark Pivac: "This quarter we are pleased to report that the procurement phase is going to plan and our dedicated workforce is looking forward to moving into the assembly phase of the Hadrian X prototype. As we move through the Hadrian X programme, we are continuing to de-risk its development, and I look forward to providing an update as part of our next development phase."

Progressed the construction of a second Hadrian X prototype

During the quarter, Fastbrick announced the construction of a second Hadrian X prototype as part of the Company's risk mitigation process. Building a second prototype is a best practice method adopted from the aeronautical and defence industries and it allows the engineering team to apply acquired knowledge from the assembly and de-bugging process across each Hadrian X. The progress made in the construction of the second prototype will significantly de-risk the assembly of the Hadrian X as it moves into its demonstration stage. Once this stage is reached, the Hadrian X will be able to demonstrate the construction of the brick component of a house(i) within 3 days.

Bolstered leadership team with the appointment of two senior executives

Fastbrick appointed two senior executives to its leadership team over the December quarter to support its rapidly accelerating growth. After an extensive nationwide search, Fastbrick appointed Mark Sheridan as General Manager of Operations and Aidan Flynn as Chief Financial Officer (CFO). Mr Sheridan has a wealth of experience in operations and engineering, having served as former General Manager/Head of Projects at Cleanaway Limited (ASX:CWY), an Australian Securities Exchange (ASX) top 200 company, and held senior engineering roles at Holden Limited. Mr Flynn has 20 years of corporate experience including more than 10 years in CFO roles. As Hadrian X moves into the assembly phase, the two new appointments will focus on enhancing the Company's operations and corporate governance practices.

Completed a successful capital raising of A$35 million

Fastbrick completed a capital raising in November through an oversubscribed A$35 million placement. The capital raising was managed by Bell Potter Securities Limited and completed with a small group of international and domestic institutional investors following a global investor marketing campaign. Fastbrick's core Intellectual Property (IP) and Hadrian X robot continue to attract very strong interest worldwide and the Company is working with global partner Caterpillar Incorporated (NYSE: CAT, "Caterpillar") to manufacture, commercialise and distribute Hadrian X to early adopters. The proceeds of the capital raising are being used to fund the completion and commercialisation of Hadrian X, the expansion of the Company's IP and operating expenses. Fastbrick is well funded and well placed to accelerate the program and fund its future IP programme.

Paved strong foundations for sustained growth in 2018

Fastbrick has paved strong foundations for growth in the coming year as the Hadrian X programme moves through the procurement, test and assembly phases. The addition of Mr Sheridan and Mr Flynn will allow Chief Technical Officer (CTO) Mark Pivac the ability to explore further expansion of the Company's IP and wider applications of Fastbrick's Dynamic Stabilisation Technology (DST) including high-rise, sub-sea and civil construction. Through global strategic relationships with Caterpillar, and, most recently, EY-Parthenon, Fastbrick will continue to pursue an aggressive customer discovery strategy which identifies early adopters of Fastbrick's technology, such as the Kingdom of Saudi Arabia and other emerging opportunities.

Fastbrick's Chief Executive Officer Mike Pivac: "We are very pleased with the progress we made in the December 2017 quarter. Following a successful capital raising and the addition of two senior executives, Fastbrick has both the working capital and human capital required to execute our short-term goal of assembling and demonstrating Hadrian X. Looking ahead, the addition of Mr Sheridan and Mr Flynn will give CTO Mark Pivac the opportunity to further expand our IP portfolio and explore wider applications of DST, our core IP. We look forward to this exciting new phase of growth and are now on track to complete the assembly of Hadrian X in the first half of the 2018 calendar year."

Ends

For more information please contact:

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About Fastbrick Robotics
Fastbrick Robotics Limited (ASX:FBR) is an Australian robotic technology company developing and commercialising digital construction technology solutions. Fastbrick Robotics' revolutionary bricklaying machine Hadrian X represents the first application of the Company's underlying intellectual property portfolio. Hadrian X is a globally patented 3D robotic bricklaying system and marks the transition to dynamically stabilised robots (DSR) operating outdoors in uncontrolled environments.

Fastbrick is currently advancing its robotics technology through a Memorandum of Understanding (MOU) with Caterpillar Inc. (NYSE:CAT) demonstrating global scalability and a MOU with the Kingdom of Saudi Arabia highlighting customer demand for Fastbrick's technology. Fastbrick is committed to improving the safety, speed, accuracy, cost and waste management in the global construction industry through utilising the world's latest innovations in mobile robotic technology.

To learn more please visit: www.fbr.com.au and to watch Hadrian X in motion please visit http://tinyurl.com/y7yrgz82

Footnote

(i) Construction House milestone is in line with the IPO prospectus dated September 2015 and means the brickwork from slab to cap for a residential home with:

(a) a minimum of 3 bedrooms and 2 bathrooms;
(b) a minimum floorplan of 180m²; and
(c) within 3 days

which has been signed off as meeting applicable building standards by an independent qualified building inspection.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity	
Fastbrick Robotics Ltd	
ABN	**Quarter ended ("current quarter")**
58 090 000 276	31 December 2017

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) Hadrian Development costs	(1,721)	(2,000)
	(b) staff costs – Hadrian Development	(1,170)	(1,934)
	(c) product manufacturing and operating costs	-	-
	(d) advertising and marketing	-	-
	(e) leased assets	-	-
	(f) administration and corporate costs	(1,035)	(1,906)
	(g) staff costs – Administration	(183)	(346)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	29	34
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other:		
	- R & D rebate	973	973
	- Commercial grants	-	63
1.9	**Net cash from / (used in) operating activities**	**(3,107)**	**(5,117)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(311)	(576)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**(311)**	**(576)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	35,000	37,647
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	740	1,186
3.4	Transaction costs related to issues of shares, convertible notes or options	(1,750)	(1,750)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**33,990**	**37,083**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of quarter/year to date	9,469	8,651
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,107)	(5,117)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(311)	(576)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	33,990	37,083
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of quarter**	**40,041**	**40,041**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,995	870
5.2	Call deposits	37,996	8,549
5.3	Bank overdrafts	-	-
5.4	Other (Security deposits for corporate credit cards)	50	50
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**40,041**	**9,469**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	262
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

$202k	Directors' fees and reimbursements
$35k	Consulting engineering fees paid to By Design Group Pty Ltd of which Mark Pivac is a director and shareholder
$25k	Director & Corporate administration paid to Laurus Corporate Services Pty Ltd of which Gabriel Chiappini is a director and shareholder

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

N/A

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

n/a

9.	Estimated cash outflows for next quarter	$A'000
9.1	Research and development	5,620
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	-
9.4	Leased assets	10
9.5	Staff costs	1,062
9.6	Administration and corporate costs	468
9.7	Other (provide details if material)	90
9.8	**Total estimated cash outflows**	**7,250**

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	n/a	n/a
10.2	Place of incorporation or registration	n/a	n/a
10.3	Consideration for acquisition or disposal	n/a	n/a
10.4	Total net assets	n/a	n/a
10.5	Nature of business	n/a	n/a

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Gabriel Chiappini

Gabriel Chiappini, Director

29 January 2018

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.